

Approved For Release 2004/05/13 : CIA-RDP91M00696R000500030002-7
THE DIRECTOR OF
CENTRAL INTELLIGENCE

Executive Registry
77-1955

Deputy for National Intelligence

1 August 1977

NOTE FOR: The Director

2 AUG 1977

SUBJECT : Tuesday Briefing of the President

1. As we agreed, I am attaching for your meeting with the President tomorrow, the following:

- a. The NIAM on "The Prospects for Taiwan After Normalization,"
- b. The CIA memo on International Reactions to a Normalization of US-PRC Relations, and
- c. My note regarding a memo on the PRC view of normalization, which is in process.

2. Extra copies of the first two are attached to leave with the President.

[Redacted Signature]

Robert R. Bowie
D/DCI/NI

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NORMALIZATION

1. The Community has prepared two estimates regarding the impact of normalization on Taiwan and on wider reactions by other states.

The premises for both estimates were:

1) That the normalization would be based on accepting the three PRC conditions and,

2) That the United States would maintain close economic and cultural relations with Taiwan and would assure its security both through arms and through indicating continuing interest.

2. In essence, these premises amount to assuming that normalization will change the form of the relation with Taiwan but will not change its substance. Under these conditions, the conclusion is that Taiwan will continue to be viable and secure and that the international reaction will be very limited except in one or two cases.

3. Neither of these estimates nor any other one examines the validity of these premises. This question has two aspects:

1) Will the United States be able to make the change in form without affecting the substance? To do so will require a series of actions by Congress and the Executive to allow Taiwan to be treated as if it were a separate nation for purposes of trade, arms sales, Exim credits, and other purposes and to affirm US

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interest in its security. Congress in particular is

likely to be more explicit than the Executive might wish. Such legislation and executive action will tend to underscore the strictly formal nature of the changes.

2) Will the PRC accept and abide by a mere change in the formal US links with Taiwan while the substance of the relation is maintained? If it understands, will it agree to full diplomatic relations? Afterward, will it not seek to undermine the substance by nibbling and gestures which will cause at least friction and perhaps more serious conflict with the United States?

4. These issues should be much more fully examined before negotiations are undertaken with the PRC. ^{TR}~~To~~ attempt to negotiate full diplomatic relations might stir up hostility ^{TR}~~because~~ the PRC would find it necessary to reject or protest the US actions which explicitly reaffirm the separateness of Taiwan despite the implications of meeting their three conditions. Perhaps the PRC has this in mind in stressing that the US is not ready to meet its conditions and that it puts a much lower priority on the Taiwan issue and diplomatic relations than on certain other issues.

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505 •

Deputy for National Intelligence

27 July 1977

Dear Cy:

I am attaching a memorandum prepared by CIA on International Reactions to US-PRC Normalization which you requested at the PRC meeting on China on 27 June. Because of their sensitivity, the premises on which the analysis is based are stated as a hypothetical scenario in the second paragraph.

The only other copy of this memorandum that has left the Agency has been sent to Zbig. I'll leave it to you and Zbig to decide about further distribution.

Regards,



Robert R. Bowie

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Attachment:
Memo, as stated

The Honorable Cyrus R. Vance
The Secretary of State
Washington, D.C. 20520

WASHINGTON, D. C. 20505

Deputy for National Intelligence

27 July 1977

Dear Zbig:

I am attaching a memorandum prepared by CIA on International Reactions to US-PRC Normalization which Cy Vance requested at the PRC meeting on China on 27 June. Because of their sensitivity, the premises on which the analysis is based are stated as a hypothetical scenario in the second paragraph.

The only other copy of this memorandum that has left the Agency has been sent to Cy. I'll leave it to you and Cy to decide on further distribution.

Regards,



Robert R. Bowie

STAT

Attachment:
Memo, as stated

The Honorable Zbigniew Brzezinski
Assistant to the President for
National Security Affairs
The White House
Washington, D.C. 20500

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INTERNATIONAL REACTIONS TO A
NORMALIZATION OF US-PRC RELATIONS

I. OVERVIEW

This memorandum assesses the likely short-term reaction to normalization of US-PRC relations by Asian states, the Soviet Union and in other selected regions with notable but less direct interests in the issue. We believe that US actions vis-a-vis Taiwan in the normalization process would not lead to any immediate policy shifts inimical to the US. The extent to which suspicions of US staying power and credibility eventually would take hold would depend largely on Taiwan's ability to survive politically and economically and on future US steps to maintain itself as an active and effective Western Pacific power. The circumstances and conditions of a normalization understanding between the PRC and US nonetheless will be important in shaping the long as well as short term reaction.

For the purpose of this analysis, the following scenario is assumed as having taken place. In normalizing relations with the PRC, the United States has:

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An important underlying factor in our assessment is a generally held international perception that US-PRC normalization would be the culmination of a process that has been

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underway--although fitfully--for more than six years. Most of the countries that found it necessary to undertake major adjustments in their foreign policies as a result of the surprise rapprochement between Washington and Peking have now completed the process. For example, more than 50 countries have opened diplomatic relations with Peking since 1971 when Peking replaced Taipei in the United Nations. At present some 34 countries, many in Latin America, have no ties with Peking. About 20 of these states could opt quickly for relations with Peking following US-PRC normalization.

Many nations, however, would make a distinction between better Sino-US relations, which they would welcome, and the ending of the official US relationship with Taiwan, which could sow further seeds of doubt about the reliability of the United States. This would be especially true in East Asia where all non-Communist states continue to see American credibility and presence as essential elements of stability in Southeast and Northeast Asia. The lapsing of a formal US security commitment to Taiwan would serve to reinforce the image of the US as a withdrawing power and would be viewed in some quarters as the latest development in a sequence of events including the withdrawal of US military presence from Indochina and Thailand and the announced US force reduction in Korea.

Despite such concerns, the official reaction to normalization would be generally positive. Most Asian states hope that normalization would provide Peking with further incentive to continue to build constructive and conventional state-to-state relations in the region rather than to revert to either a more subversive or chauvinistic approach. To this end, most East Asian capitals have already made their own rapprochement with Peking and virtually all appear to consider the breaking of official ties and commitments between the US and Taiwan as an inevitable part of the process of Sino-US normalization. They would assume that Sino-US normalization would in most respects amount to a change of form rather than substance in terms of both Taiwan's viability and Chinese policy in the region. Concern about Chinese power and intentions would persist, however, especially among the non-Communist states of Southeast Asia.

Despite the fact that normalization has been anticipated well in advance by nearly all governments, and would

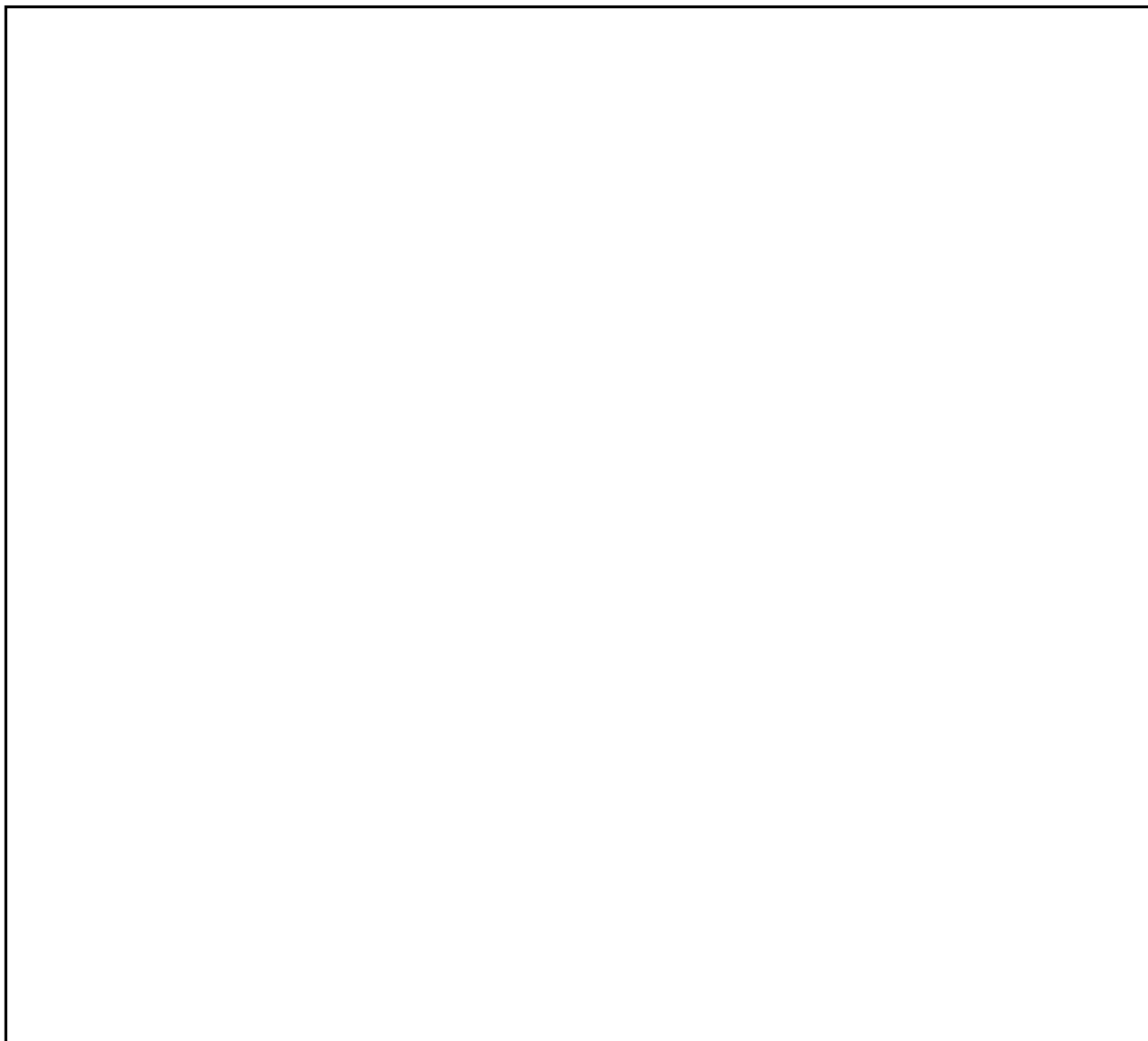
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be quietly approved by most, the act itself would be greeted with considerable concern on the part of a few nations with strong and quite different interests at stake. Among these, of course, would be the Soviet Union, which would see such a US move as carrying important anti-Soviet implications. Seoul and Tel Aviv share with Taipei relatively exposed positions and heavy dependence on the United States. Although both countries might be more apprehensive about the US commitments to them, they nonetheless appear to recognize that their own situations differ in important ways from that of Taiwan and the state of their own relations with the US would be the decisive factor.

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II. ASIAN REACTIONS



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Deputy for National Intelligence

25 July 1977

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Reactions to China Normalization

1. At a PRC meeting several weeks ago, Secretary Vance requested me to have prepared an estimate as to the international reactions to normalization with China.
2. I requested that he define the specific actions the United States would take as a basis for the estimate. He did that and these are shown in the footnote to the estimate.
3. Mr. Holbrook called today to express Vance's concern about the sensitivity of the estimate and especially the Terms of Reference since the President has not chosen this or any other option yet.
4. Accordingly, before this is distributed, I would like to talk to you about the question of how it should be handled.

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Robert R. Bowie
D/DCI/NI

*our deadline for distribution is
26 July 2*

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I. OVERVIEW

This memorandum assesses the likely short-term reaction to normalization of US-PRC relations by Asian states, the Soviet Union and in other selected regions with notable but less direct interests in the issue. We believe that US actions vis-a-vis Taiwan in the normalization process would not lead to any immediate policy shifts inimical to the US. The extent to which suspicions of US staying power and credibility eventually would take hold would depend largely on Taiwan's ability to survive politically and economically and on future US steps to maintain itself as an active and effective Western Pacific power. The circumstances and conditions of a normalization understanding between the PRC and US nonetheless will be important in shaping the long as well as short term reaction.*

An important underlying factor in our assessment is a generally held international perception that US-PRC normalization would be the culmination of a process that has been underway--although fitfully--for more than five years. Most of the countries that found it necessary to undertake major adjustments in their foreign policies as a result of the surprise rapprochement between Washington and Peking have now completed the process. For example, more than 50 countries have opened diplomatic relations with Peking since 1971 when Peking replaced Taipei in the United Nations. At present some 34 countries, many in Latin America, have no ties with Peking. About 20 of these states could opt quickly for relations with Peking following US-PRC normalization.

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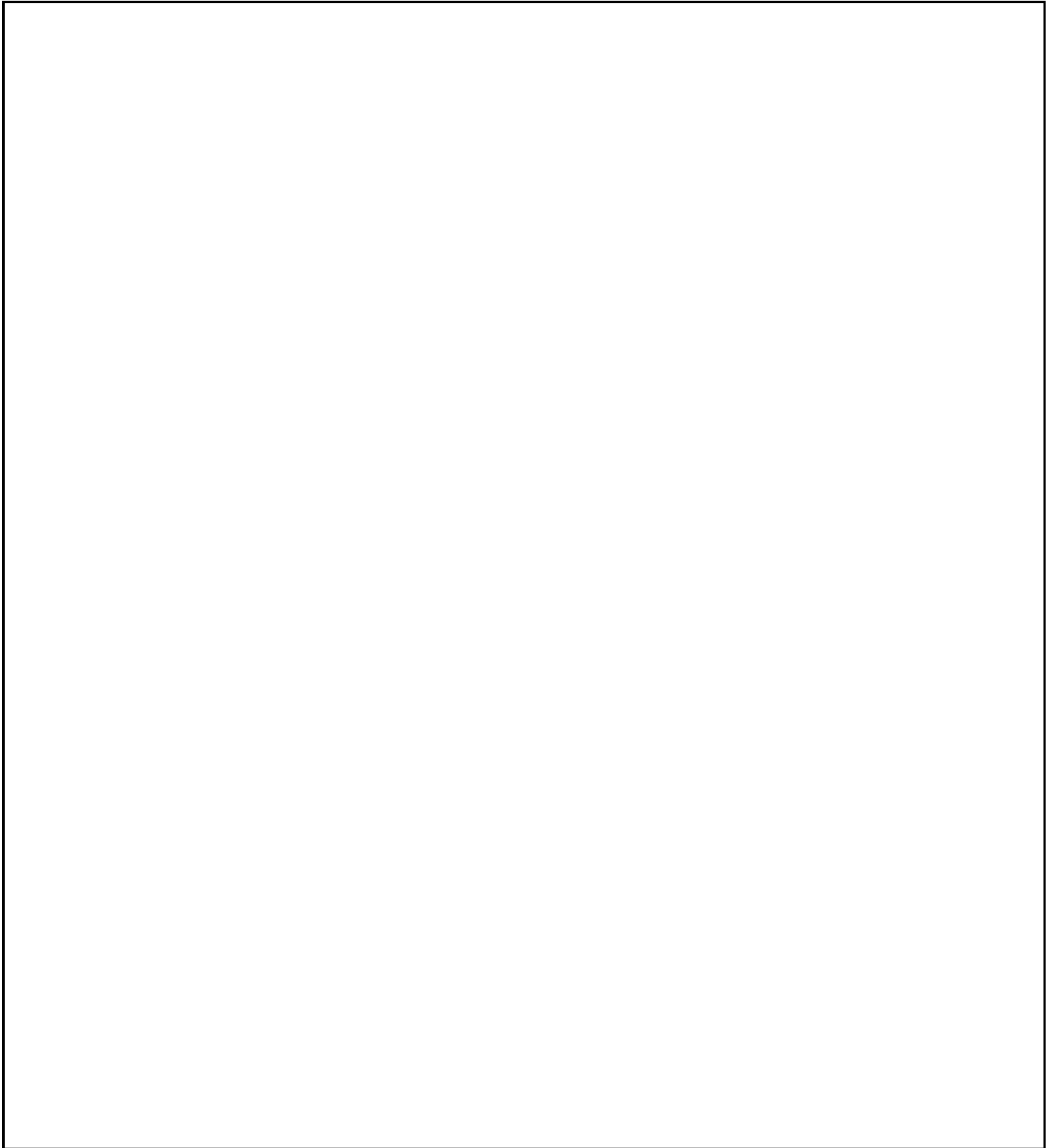
Many nations, however, would make a distinction between better Sino-US relations, which they would welcome, and the ending of the official US relationship with Taiwan, which could sow seeds of doubt about the reliability of the United States. This would be especially true in East Asia where all non-Communist states continue to see American credibility and presence as essential elements of stability in Southeast and Northeast Asia. The lapsing of a formal US security commitment to Taiwan would serve to reinforce the image of the US as a withdrawing power and would be viewed in some quarters as the latest development in sequence of events including the withdrawal of US military presence from Indochina and Thailand and the announced US force reduction in Korea.

Despite such concerns, the official reaction to normalization would be generally positive as most Asian states hope that normalization could provide Peking with further incentive to continue to build constructive and conventional state-to-state relations in the region rather than to revert to either a more subversive or chauvinistic approach. To this end, most East Asian capitals have already made their own rapprochement with Peking and virtually all appear to consider the breaking of official ties and commitments between the US and Taiwan as an inevitable part of the process of Sino-US normalization. They would assume that Sino-US normalization will in most respects amount to a change of form rather than substance in terms of both Taiwan's viability and Chinese policy in the region. Concern about Chinese power and intentions persists, however, especially among the non-Communist states of Southeast Asia.

Despite the fact that normalization has been anticipated well in advance by nearly all governments, and would be quietly approved by most, the act itself would be greeted with considerable concern on the part of a few nations with strong and quite different interests at stake. Among these, of course, would be the Soviet Union, which would see such a US move as carrying important anti-Soviet implications. Seoul and Tel Aviv share with Taipei relatively exposed positions and heavy dependence on the United States. Although both countries might be more apprehensive about the US commitments to them, they nonetheless appear to recognize that their own situations differ in important ways from that of Taiwan and the state of their own relations with the US would be the decisive factor.

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II. ASIAN REACTIONS



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